

January 16, 2003

TO: Information Services Board

THROUGH: Tom Parma, DSHS Representative  
Department of Information Services

FROM: Dennis Braddock, Secretary  
Department of Social and Health Services

SUBJECT: AUTOMATED CLIENT ELIGIBILITY SYSTEM

**Background**

The Department began to re-procure for a maintenance and operations vendor for ACES in October 2001, based on recommendations in the Continued Operations and Feasibility Study published and presented to the ISB in September 2001. The current contract for maintenance and operations expires July 2003. The Department's procurement team used Sterling Associates, LLP to provide Quality Assurance oversight and Gartner Consulting Group to provide technical assistance, including research on "best practices" in key areas such as RFP organization, requirements definitions, service level requirements, pricing strategies and contract negotiations. The Department's Contracts Office and the Department of Information Systems (DIS) also provided guidance in the process. Legal counsel is being provided by the Office of the Attorney General and the private law firm of Preston, Gates and Ellis.

On August 28, 2002, the Department published the RFP. Three vendor organizations submitted responses to the RFP: Deloitte Consulting; IBM Global Services; and TCS America, A Division of Tata America International Corporation.

**Status Update**

On December 19, 2002 the Department announced that IBM Global Services was selected as the Apparently Successful Bidder. Two firms, IBM Global Services and Deloitte Consulting, requested and received debriefing. On January 15, 2003 at 5:00 p.m., the protest period expired, and the Department did not receive a protest against the ACES Request for Proposal (RFP).

The final step in the process prior to executing the contract is establishing a Strategic Negotiation Team to identify contract issues. Contract negotiations are set to begin on February 10, 2003, and we anticipate contract execution no later than March 24, 2003. I am very pleased with the entire procurement process.

cc: John Atherton  
Robert K. St. John  
Christy Ridout